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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/923,161	08/06/2001	Nicholas Frattalone	P24256-B USA	1517

7590 09/25/2006

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EXAMINER

GREIMEL, JOCELYN

ART UNIT	PAPER NUMBER
3693	

DATE MAILED: 09/25/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/923,161	<b>Applicant(s)</b> FRATTALONE, NICHOLAS	
	<b>Examiner</b> Jocelyn Greimel	<b>Art Unit</b> 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 06 August 2001.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>08/30/01, 08/06/01</u> . | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

1. This communication is in response to Applicant's application of August 06, 2001, which claims the benefit of 60/223,193 filed August 04, 2000 and 60/263,905 filed January 24, 2001. Claims 1-42 are pending and are presented to be examined upon their merits. Claims 1, 22, 30, 32 and 26 are independent claims.

### ***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. **Claims 1-42 are rejected under 35 U.S.C. 102(b) as being anticipated by Frankel (US Patent No. 6,070,151).** In reference to claims 1, 22, 30, 32 and 36, Frankel discloses a method and system for implementing a combined investment comprising the steps of:

- a. Receiving a capital contribution from each of a plurality of independent investors; aggregating a plurality of capital contributions;
- b. Controlling a collateralizable first investment, a portfolio of securities with a growth objective, the first investment representing ownership interests of a plurality of independent investors, proportionately;

- c. Obtaining financing collateralized by the first investment;
  - d. Acquiring a second investment using the financing, the second investment being selected for achieving an income-producing objective; and
  - e. Applying at least a portion of any returns on the second investment to the benefit of the plurality of independent investors;
  - f. Whereby each of the plurality of independent investors becomes an investor in a combined investment of the first and second investments (col.5, lines 15-40; col. 6, lines 1-9).
4. In reference to claims 2-7, Frankel teaches a method: wherein said first investment comprises a portfolio of securities; wherein said portfolio comprises a combination of securities selected for achieving an objective of long term growth; wherein said portfolio comprises a debt obligation insured by a third party guarantor; whereby each of said plurality of independent investors becomes an owner of a proportionate share of said second investment; wherein said first investment comprises a portfolio of securities selected to achieve an objective of growth and said second investment comprises a real estate asset, whereby each of said plurality of independent investors becomes an investor in a combined investment of first and second asset classes without the need for additional investment capital; and where the second investment comprises a real estate asset (col. 2, lines 64-67; col. 3, lines 1-12 and 40-53).

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5. In reference to claims 8-16, Frankel teaches a method: wherein said financing provides leverage of said first investment in the range of approximately 50% to approximately 100%; wherein said controlling step comprises the step of: managing said first investment to provide an enhanced returns to said plurality of independent investors; managing said second investment cooperatively with said first investment to provide enhanced returns to said plurality of independent investors; wherein said managing step is performed by an investment firm (col.5, lines 15-40; col. 6, lines 1-9).

6. Frankel additionally discloses: wherein said financing is obtained from said investment firm; wherein said financing is selected from the group consisting of a line of credit, a self-liquidating loan, a fixed rate loan, a variable rate loan, an interest- only loan, a term loan, a balloon loan, and any combination of one or more thereof; wherein said applying step comprises the step of: distributing a portion of any income from said second investment to each of said plurality of independent investors; wherein said applying step comprises the step of: utilizing a portion of any income from said second investment to purchase an additional investment in an asset class of said first investment; wherein said applying step comprises the step of: utilizing a portion of any income from said second investment to purchase an additional investment in an asset class of said second investment; wherein said applying step comprises the step of: holding a portion of any income from said second investment as cash (col. 2, lines 64-67; col. 3, lines 1-12 and 40-53).

7. In reference to claims 17-21, Frankel discloses a method: wherein said applying step comprises the step of: paying operating expenses relating to said first investment or said second investment; wherein said applying step comprises the step of: reducing a debt obligation resulting from said financing; wherein said step of controlling said first investment comprises the steps of: and receiving a capital contribution from each of said plurality of independent investors; aggregating a plurality of said capital contributions to acquire said first investment; wherein said step of controlling said first investment comprises receiving control over a portion of assets associated with a pension fund; wherein said step of acquiring said second investment comprises a refinancing of properties owned by at least one of said plurality of independent investors (col. 2, lines 64-67; col. 3, lines 1-12 and 40-53; col.5, lines 15-40; col. 6, lines 1-9).

8. In reference to claim 23-29, Frankel teaches a method: wherein said securities comprise equities; wherein said equities are selected for achieving an objective of long term growth; wherein said securities comprise a debt obligation insured by a third party guarantor; wherein said second investment comprises an investment in a real estate asset; cooperatively managing said first and second investments by cross-utilizing at least a portion of any returns thereon for the objective of providing enhanced returns to said plurality of independent investors; wherein said managing step is performed by an investment firm, and wherein said financing is obtained from said investment firm; issuing a number of ownership shares to each of said plurality of individual investors to

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reflect an ownership interest in said combined investment (col. 2, lines 64-67; col. 3, lines 1-12 and 40-53).

9. In reference to claims 31, 33-35 and 37-42, the claims language is similar to the claims detailed above. The limitations of claims 31, 33-35 and 37-42 closely parallel the above claims. Therefore, claims 31, 33-35 and 37-42 are rejected under the same rationale as set forth in the claims supra.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jocelyn Greimel whose telephone number is (571) 272-3734. The examiner can normally be reached Monday - Friday 8:30 AM - 4:30 PM EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached at (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Jocelyn Greimel  
Examiner, Art Unit 3693  
September 14, 2006

  
ELLA COLBERT  
PRIMARY EXAMINER